

# Corporate Data

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## The Former President's Residence at the Ehime Works (Niihama City, Ehime Prefecture)

The former president's residence at the Ehime Works was constructed in 1935, in a corner of the Sumitomo Group's Yamada company housing development as part of a development plan in the early Showa era. It was in use until 2004. The Yamada company housing development accommodated over 270 houses at its peak, but most of these houses were destroyed, as they have deteriorated in recent years. To preserve the president's residence as an industrial heritage site associated with the Besshi Copper Mines, Sumitomo Chemical donated this house to Niihama City in 2019. Going forward, the house will exhibit historical materials related to Masaya Suzuki\*, who is deeply connected with Sumitomo Chemical, offering an opportunity for local residents and sightseers to learn about and experience this history, in the hope that it will be passed down to future generations.

\* The third Director-General of Sumitomo

# Financial Review

## 1. Results of Operations

### (1) Sales Revenue

Sales revenue dropped by ¥92.8 billion, to ¥2,225.8 billion for the fiscal year ended March 31, 2020, from ¥2,318.6 billion for the fiscal year ended March 31, 2019, affected by lower market prices and the stronger yen, despite the increase in shipments.

### (2) Core Operating Income/Operating Income

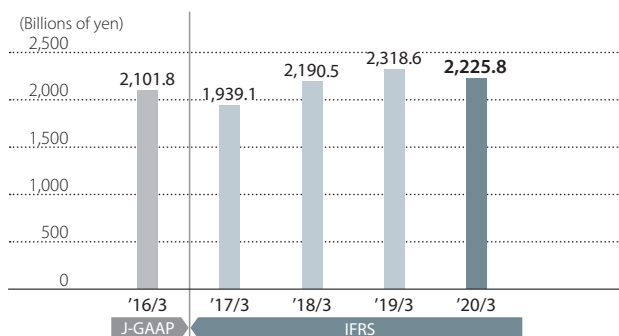
Core operating income was impacted by lower margins on petrochemical products and methyl methacrylate (MMA) in the Petrochemical & Plastics segment, lower market prices for methionine (feed additive), and decreased shipments of crop protection products due to extreme weather in North America in the Health & Crop Sciences segment. In the Pharmaceuticals segment, sales of Latuda® (atypical antipsychotic agent) grew. On the other hand, selling, general and administrative expenses (SG&A) and R&D expenses increased, as we recognized the expenses incurred at Sumitvant Biopharma Limited and its subsidiaries, which we acquired in association with the strategic alliance with Roivant Sciences Ltd. The COVID-19 pandemic caused a significant deterioration in the economic environment,

primarily in China, impacting the market prices of petrochemical products and shipments in the IT-related Chemicals segment. As a result, core operating income decreased by ¥71.6 billion, to ¥132.7 billion for the fiscal year ended March 31, 2020, from ¥204.3 billion for the fiscal year ended March 31, 2019.

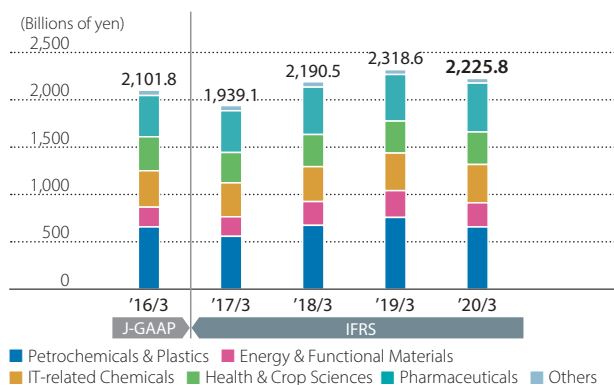
Operating results from non-recurring factors, which were deducted from operating income to calculate core operating income, improved by ¥26.1 billion, to a profit of ¥4.9 billion for the fiscal year ended March 31, 2020, from a loss of ¥21.3 billion for the fiscal year ended March 31, 2019. The reason for this was that, while we recorded an impairment loss on intangible assets, including in-progress research and development, due to a review of our business plans, including our development plans, in areas such as cancer pharmaceuticals, there was a reversal of expenses due to a decrease in the fair value of a contingent consideration arrangement.

As a result of the above factors, operating income decreased by ¥45.5 billion, to ¥137.5 billion for the fiscal year ended March 31, 2020, from ¥183.0 billion for the fiscal year ended March 31, 2019.

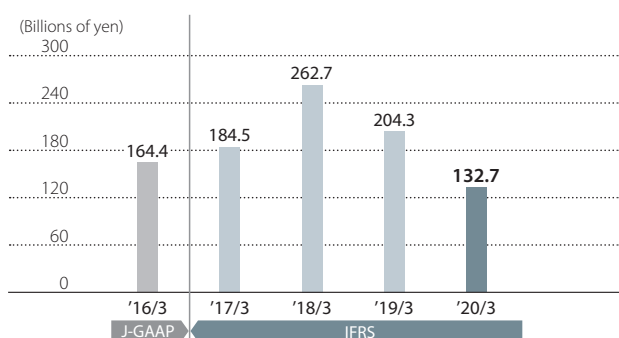
J-GAAP\* Net Sales  
IFRS\* Sales Revenue



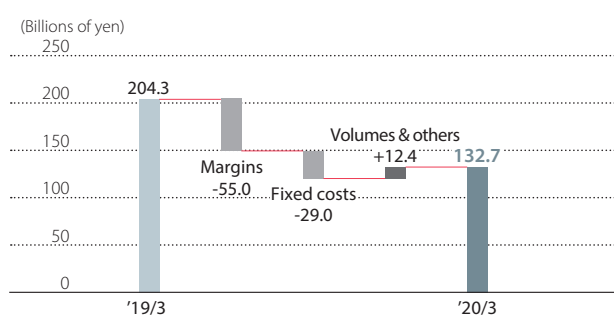
J-GAAP Breakdown of Sales by Business Segment  
IFRS Breakdown of Sales Revenue by Business Segment



J-GAAP Operating Income  
IFRS Core Operating Income



Change in Core Operating Income: '19/3 vs. '20/3



\* J-GAAP: Japanese GAAP, IFRS: International Financial Reporting Standards

### (3) Finance Income and Finance Expenses/ Income Before Taxes

Finance income and finance expenses declined by ¥12.4 billion, to loss of ¥7.0 billion for the fiscal year ended March 31, 2020, from gain of ¥5.4 billion for the fiscal year ended March 31, 2019, due to the appreciation of the Japanese yen toward the end of the current fiscal year and the recording of a large amount of exchange losses. As a result, income before taxes decreased by ¥57.9 billion, to ¥130.5 billion for the fiscal year ended March 31, 2020, from ¥188.4 billion for the fiscal year ended March 31, 2019.

### (4) Income Tax Expenses/Net Income Attributable to Owners of the Parent and Net Income Attributable to Non-controlling Interests

Income tax expenses were ¥76.1 billion, due to one-time tax expenses arising from mobilizing deferred tax assets in response to the decision to discontinue some studies on anti-cancer drugs under development in a US pharmaceutical subsidiary. The ratio of income tax expenses to income before taxes after applying tax effect accounting was 58.3%.

As a result, net income was ¥54.4 billion for the fiscal year ended March 2020.

Net income attributable to non-controlling interests was ¥23.5 billion for the fiscal year ended March 31, 2020, down ¥11.0 billion from the ¥34.5 billion for the fiscal year ended March 31, 2019. This mainly represents net income attributable to non-controlling interests of consolidated subsidiaries, such as Sumitomo Dainippon Pharma Co., Ltd.

As a result, net income attributable to owners of the parent was ¥30.9 billion for the fiscal year ended March 31, 2020, down ¥87.1 billion from the ¥118.0 billion for the fiscal year ended March 31, 2019.

### (5) Dividends

The interim dividend was ¥11 per share and the year-end dividend was ¥6. As a result, the full-year dividend for fiscal 2019 was ¥17 per share.

## 2. Segment Information

### (1) Petrochemicals & Plastics

Market conditions for petrochemical products and synthetic resins declined because feedstock prices fell year on year.

### Results by Business Segment

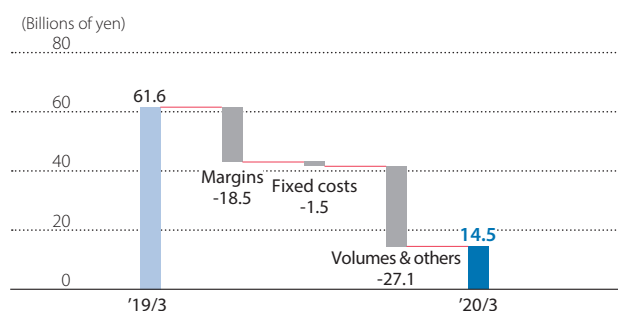
Fiscal years ended March 31, 2020 and 2019

(Millions of yen)

|                                  | Petrochemicals & Plastics | Energy & Functional Materials | IT-related Chemicals | Health & Crop Sciences | Pharmaceuticals | Others  | Adjustments & Elimination | Consolidated |
|----------------------------------|---------------------------|-------------------------------|----------------------|------------------------|-----------------|---------|---------------------------|--------------|
| <b>Year ended March 31, 2020</b> |                           |                               |                      |                        |                 |         |                           |              |
| Sales revenue                    | ¥656,929                  | ¥255,034                      | ¥404,871             | ¥343,666               | ¥515,845        | ¥49,459 | ¥ —                       | ¥2,225,804   |
| Core operating income            | 14,485                    | 20,343                        | 25,084               | 2,083                  | 75,266          | 8,770   | (13,379)                  | 132,652      |
| Core operating income ratio (%)  | 2.2                       | 8.0                           | 6.2                  | 0.6                    | 14.6            | 17.7    | —                         | 6.0          |
| Core operating income growth (%) | (76.5)                    | (11.4)                        | (4.4)                | (89.4)                 | (6.8)           | (6.9)   | —                         | (35.1)       |
| <b>Year ended March 31, 2019</b> |                           |                               |                      |                        |                 |         |                           |              |
| Sales revenue                    | ¥757,529                  | ¥282,850                      | ¥396,839             | ¥338,094               | ¥492,130        | ¥51,130 | ¥ —                       | ¥2,318,572   |
| Core operating income            | 61,610                    | 22,959                        | 26,227               | 19,716                 | 80,764          | 9,422   | (16,446)                  | 204,252      |
| Core operating income ratio (%)  | 8.1                       | 8.1                           | 6.6                  | 5.8                    | 16.4            | 18.4    | —                         | 8.8          |

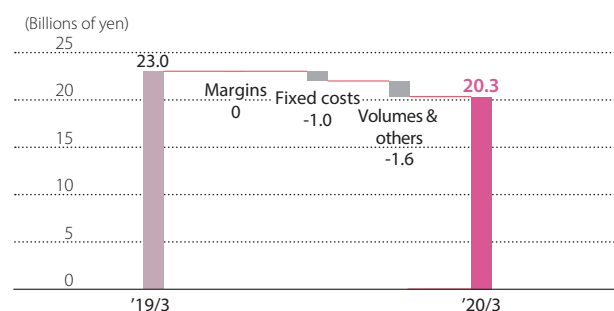
#### Petrochemicals & Plastics

##### Change in Core Operating Income: '19/3 vs. '20/3



#### Energy & Functional Materials

##### Change in Core Operating Income: '19/3 vs. '20/3





Market prices for raw materials for synthetic fibers and methyl methacrylate (MMA) also hovered around a low level. As a result, sales revenue declined by ¥100.6 billion from the previous year, to ¥656.9 billion. Core operating income declined by ¥47.1 billion to ¥14.5 billion, amid deteriorating margins for petrochemical products and MMA.

## (2) Energy & Functional Materials

Shipments of resorcinol (a raw material for adhesives) stayed firm. Meanwhile, market prices for aluminum and for the metal raw materials for cathode materials remained low, resulting in lower selling prices. Sales revenue declined by ¥27.8 billion from the previous year, to ¥255.0 billion, and core operating income declined by ¥2.6 billion year on year, to ¥20.3 billion.

## (3) IT-related Chemicals

Despite the drop in selling prices for polarizing film, shipments of polarizing film for both TV and mobile applications, as well as touchscreen panels, increased, due to growth in demand. As a result, sales revenue increased by ¥8.0 billion from the previous year, to ¥404.9 billion. Core operating income fell by ¥1.1 billion

year on year, to ¥25.1 billion, as it is largely impacted by lower selling prices.

## (4) Health & Crop Sciences

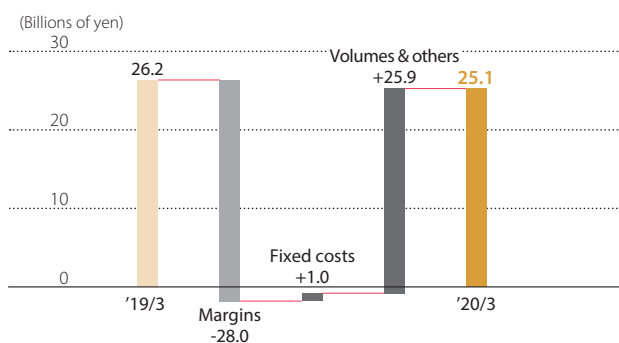
While market prices for methionine (feed additive) declined, shipments increased because of the increase in production capacity from the previous fiscal year. On the other hand, shipments of crop protection products decreased due to the extreme weather in North America. As a result, sales revenue increased by ¥5.6 billion from the previous year, to ¥343.7 billion. Core operating income declined by ¥17.6 billion year on year, to ¥2.1 billion, due to deteriorated margins for methionine and lower shipments of crop protection products.

## (5) Pharmaceuticals

In Japan, sales increased, driven by Equa® and EquMet® (for type II diabetes mellitus). In North America, sales of Latuda® (atypical antipsychotic agent) increased. As a result, sales revenue increased by ¥23.7 billion from the previous fiscal year, to ¥515.8 billion. While sales revenue increased, sales expenses, general and administrative expenses (SG&A), and research and

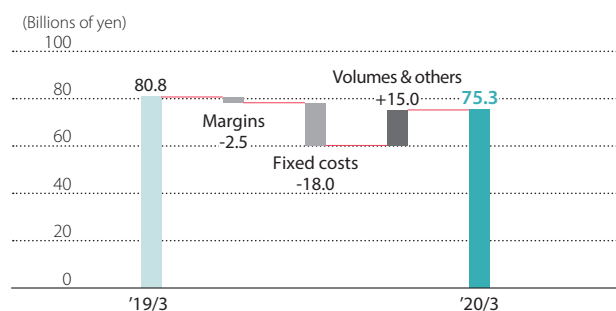
### IT-related Chemicals

Change in Core Operating Income: '19/3 vs. '20/3



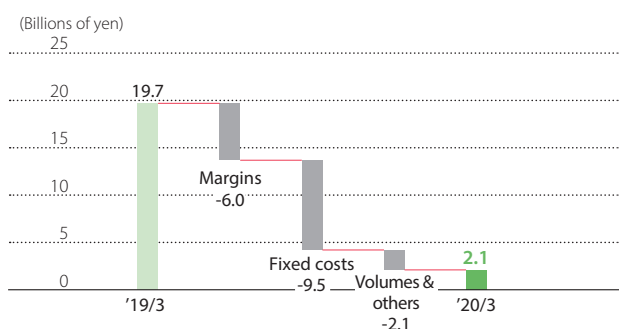
### Pharmaceuticals

Change in Core Operating Income: '19/3 vs. '20/3



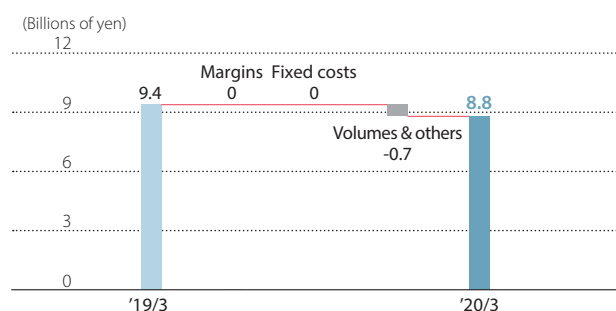
### Health & Crop Sciences

Change in Core Operating Income: '19/3 vs. '20/3



### Others

Change in Core Operating Income: '19/3 vs. '20/3



development expenses also increased. This was because the expenses at Sumitviant Biopharma and its subsidiaries (which were acquired as part of the strategic alliance with Roivant Sciences) were recognized. Core operating income thus fell by ¥5.5 billion to ¥75.3 billion.

### (6) Others

In addition to the above five segments, the Sumitomo Chemical Group supplies electric power and steam, designs chemical plants and supervises the construction of those facilities, provides transportation and warehousing, and conducts physical property analysis and environmental analysis. Sales revenue from these businesses declined by ¥1.7 billion from the previous year, to ¥49.5 billion, and core operating income decreased by ¥0.7 billion to ¥8.8 billion.

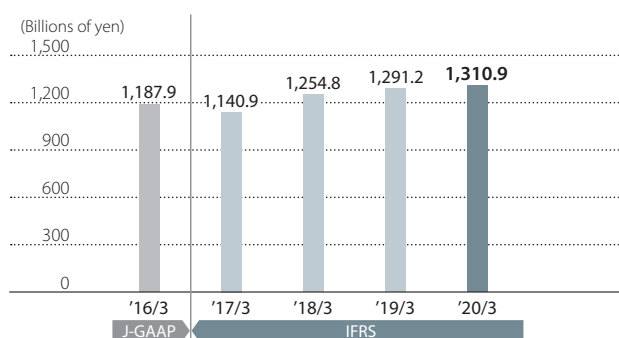
## 3. Financial Position

Total assets as of March 31, 2020 increased by ¥478.7 billion, to ¥3,650.3 billion (US\$33,542 million), from ¥3,171.6 billion as of March 31, 2019. Current assets as of March 31, 2020 amounted to ¥1,310.9 billion (US\$12,045 million), a 1.5% increase from ¥1,291.2 billion as of March 31, 2019. Non-current assets, as of March 31, 2020, amounted to ¥2,339.4 billion (US\$21,496 million), a 24.4% increase from ¥1,880.4 billion as of March 31, 2019. After the completion of procedures, including the transfer of shares, following the strategic alliance with Roivant Sciences, other financial assets, including intangible assets and non-current assets, significantly increased. Tangible fixed assets increased after the new standard of IFRS 16 Leases was applied in accounting.

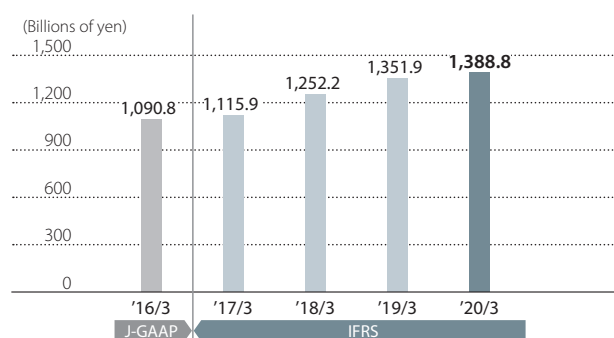
Current liabilities as of March 31, 2020 were ¥1,162.3 billion (US\$10,680 million), a 15.6% increase from ¥1,005.1 billion as of March 31, 2019. The current ratio was 112.8%, compared with 128.5% as of March 31, 2019.

Non-current liabilities as of March 31, 2020 were ¥1,099.2 billion (US\$10,100 million), a 34.9% increase from ¥814.6 billion as of March 31, 2019.

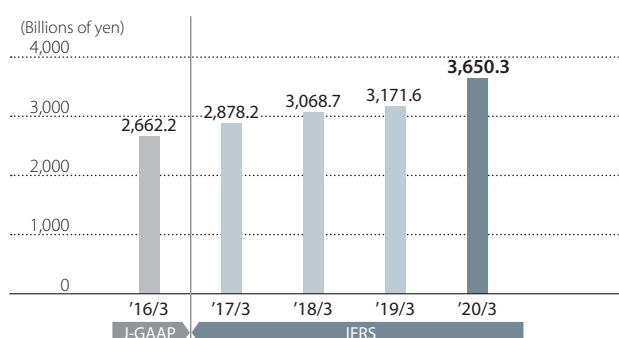
### Total Current Assets



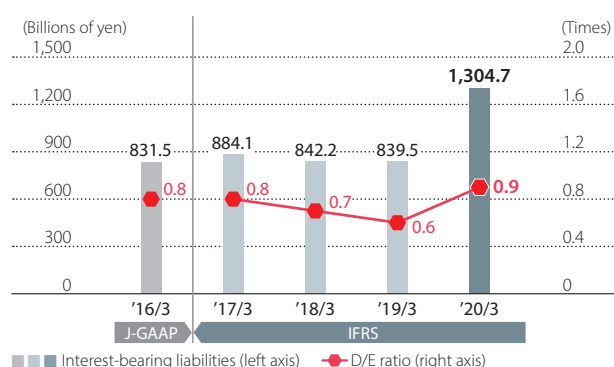
### J-GAAP\* Net Assets IFRS\* Total Equity



### Total Assets



### Interest-bearing Liabilities / D/E Ratio



\* J-GAAP: Japanese GAAP, IFRS: International Financial Reporting Standards

Interest-bearing liabilities (short-term and long-term bank loans, corporate bonds, and commercial paper) as of March 31, 2020 amounted to ¥1,304.7 billion (US\$11,988 million), compared with ¥839.5 billion as of March 31, 2019, after taking on bridge loans to pay for the above-mentioned strategic alliance, and issuing publicly offered hybrid bonds (publicly offered subordinated bonds).

Total equity was ¥1,388.8 billion (US\$12,762 million) as of March 31, 2020, a 2.7% increase from ¥1,351.9 billion as of March 31, 2019, mainly because non-controlling interests increased. The ratio of net worth to total assets stood at 25.3% as of March 31, 2020, compared with 31.5% as of March 31, 2019.

There were 1,635,000,365 shares issued and outstanding (excluding treasury shares) as of March 31, 2020. Retained earnings amounted to ¥808.0 billion (US\$7,424 million), a 1.5% decrease from ¥820.5 billion as of March 31, 2019.

## 4. Cash Flows

Net cash from operating activities in fiscal 2019 was ¥106.0 billion, a decrease of ¥102.1 billion from the previous fiscal year, due to a decrease in pre-tax income. Net cash used in investing activities was ¥499.7 billion, an increase in cash outflows of ¥318.8 billion from the previous fiscal year, due to an increase in outflows for acquiring investment securities and subsidiaries as a result of purchases of stock in Roivant Sciences by Sumitomo Dainippon Pharma after the completion of the procedures for their strategic alliance. This resulted in negative free cash flow of ¥393.7 billion for fiscal 2019, compared with positive free cash flow of ¥27.3 billion for fiscal 2018. Net cash from financing activities was ¥373.5 billion, as Sumitomo Dainippon Pharma procured bridging loans and Sumitomo Chemical issued corporate hybrid bonds (publicly offered subordinated corporate bonds). The balance of cash and cash equivalents at the end of fiscal 2019 fell by ¥21.0 billion year on year to ¥180.6 billion.

### Breakdown of Capital Expenditures

| Years ended March 31                    | J-GAAP* |      |        |      | IFRS*  |    |        |      | (Billions of yen, %) |      |        |      |  |
|---|---------|------|--------|------|--------|----|--------|------|----------------------|------|--------|------|--|
|   | 2016    |      | 2017   |      | 2017   |    | 2018   |      | 2019                 |      | 2020   |      |  |
| New plants and expansions:              |         |      |        |      |        |    |        |      |                      |      |        |      |  |
| Petrochemicals & Plastics               | ¥ 1.8   | 2%   | ¥ 1.5  | 1%   | ¥ —    | —% | ¥ 3.2  | 2%   | ¥ 6.4                | 4%   | ¥ 6.7  | 6%   |  |
| Energy & Functional Materials           | 10.0    | 10   | 11.8   | 9    | —      | —  | 14.3   | 9    | 13.0                 | 8    | 11.1   | 10   |  |
| IT-related Chemicals                    | 22.1    | 21   | 29.5   | 23   | —      | —  | 21.3   | 13   | 28.3                 | 17   | 16.8   | 14   |  |
| Health & Crop Sciences                  | 6.4     | 6    | 12.1   | 9    | —      | —  | 38.0   | 24   | 22.9                 | 14   | 8.9    | 8    |  |
| Pharmaceuticals                         | 1.9     | 2    | 2.8    | 2    | —      | —  | 3.7    | 2    | 6.1                  | 4    | 5.4    | 5    |  |
| Others                                  | 0.7     | 1    | 1.2    | 1    | —      | —  | 6.0    | 4    | 8.6                  | 5    | 0.7    | 1    |  |
| Subtotal                                | ¥ 43.0  | 41%  | ¥ 58.9 | 45%  | —      | —  | ¥ 86.5 | 54%  | ¥ 85.4               | 52%  | ¥ 49.7 | 43%  |  |
| Rationalization of production processes | 8.3     | 8    | 3.5    | 3    | —      | —  | 2.7    | 2    | 2.8                  | 2    | 2.2    | 2    |  |
| Research and development                | 7.4     | 7    | 7.4    | 6    | —      | —  | 12.1   | 8    | 13.6                 | 8    | 7.4    | 6    |  |
| Maintenance and renewal                 | 21.7    | 21   | 25.2   | 19   | —      | —  | 31.3   | 20   | 43.9                 | 27   | 32.1   | 28   |  |
| Others                                  | 23.3    | 22   | 35.0   | 27   | —      | —  | 26.2   | 16   | 17.9                 | 11   | 25.1   | 22   |  |
| Total                                   | ¥103.8  | 100% | ¥130.1 | 100% | ¥136.3 | —% | ¥158.8 | 100% | ¥163.7               | 100% | ¥116.3 | 100% |  |

\* J-GAAP: Japanese GAAP, IFRS: International Financial Reporting Standards

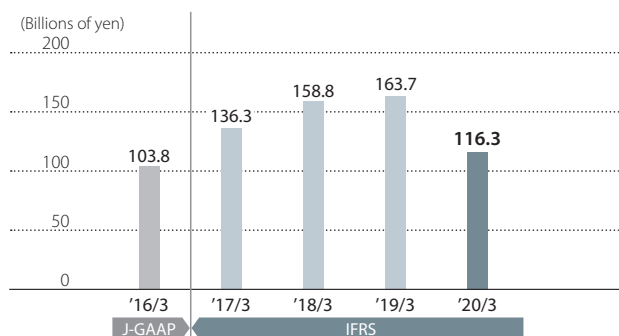
## 5. Capital Expenditures

In the year ended March 31, 2020, the Group's capital expenditures totaled ¥116.3 billion (US\$1,069 million), which includes investments for new installations and the expansion of manufacturing facilities as well as investments for streamlining existing facilities.

Major facilities completed in fiscal 2019 included the expansion of a manufacturing facility for processing chemicals for semiconductors in our Chinese subsidiary in the IT-related Chemicals segment. Major facilities under construction in fiscal 2019 included the expansion of a photoresist evaluation system in the IT-related Chemicals segment, and the expansion of a manufacturing facility for cathode materials in a Japanese subsidiary in the Energy & Functional Materials segment. We also made investments to introduce S/4HANA, our next-generation core business system.

Broken down by segment, capital expenditures in the Petrochemicals & Plastics segment were ¥23.8 billion (US\$219 million), ¥21.4 billion (US\$196 million) in the Energy & Functional Materials segment, ¥21.6 billion (US\$198 million) in the IT-related Chemicals segment, ¥19.7 billion (US\$181 million) in the Health & Crop Sciences segment, ¥17.0 billion (US\$156 million) in the Pharmaceuticals segment, and ¥12.9 billion (US\$118 million) in the Others segment.

### Capital Expenditures



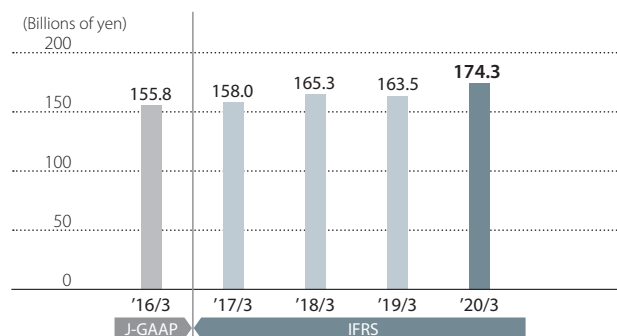
## 6. Research and Development

The Group's basic R&D policy is to establish superior proprietary technologies that will contribute to profitability and business expansion. To maximize overall efficiency, the Group proactively promotes collaborative R&D and outsourcing through closer cooperation, while each subsidiary performs its own R&D activities.

In the fiscal year ended March 31, 2020, the Group focused R&D resources on 1) healthcare, 2) food, 3) reducing greenhouse gas emissions and environmental impact, and 4) ICT (information & communications technology), as part of the FY2019-2021 Corporate Business Plan. In addition, the Group is promoting cross-sectoral projects for the development of new businesses.

R&D expenses were ¥174.3 billion (US\$1,602 million), up 6.6% from the fiscal year ended March 31, 2019.

### Research and Development Expenses



# Consolidated Financial Statements

## Consolidated Statement of Financial Position

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries  
March 31, 2020 and 2019

|   | Millions of yen   |                   | Thousands of<br>US dollars |
|---|-------------------|-------------------|----------------------------|
|   | March 31, 2020    | March 31, 2019    | March 31, 2020             |
| <b>Assets</b>                                     |                   |                   |                            |
| <b>Current assets:</b>                            |                   |                   |                            |
| Cash and cash equivalents                         | ¥ 180,648         | ¥ 201,678         | \$ 1,659,910               |
| Trade and other receivables                       | 570,413           | 549,992           | 5,241,321                  |
| Other financial assets                            | 8,945             | 5,352             | 82,192                     |
| Inventories                                       | 492,391           | 489,266           | 4,524,405                  |
| Other current assets                              | 54,204            | 44,935            | 498,062                    |
| subtotal  | 1,306,601         | 1,291,223         | 12,005,890                 |
| Assets held for sale                              | 4,305             | —                 | 39,557                     |
| Total current assets                              | 1,310,906         | 1,291,223         | 12,045,447                 |
| <b>Non-current assets:</b>                        |                   |                   |                            |
| Property, plant and equipment                     | 778,417           | 735,918           | 7,152,596                  |
| Goodwill  | 195,998           | 126,838           | 1,800,956                  |
| Intangible assets                                 | 466,408           | 216,664           | 4,285,657                  |
| Investments accounted for using the equity method | 264,054           | 299,044           | 2,426,298                  |
| Other financial assets                            | 488,645           | 323,392           | 4,489,984                  |
| Retirement benefit assets                         | 61,229            | 69,392            | 562,611                    |
| Deferred tax assets                               | 47,092            | 70,587            | 432,712                    |
| Other non-current assets                          | 37,583            | 38,560            | 345,336                    |
| Total non-current assets                          | 2,339,426         | 1,880,395         | 21,496,150                 |
| <b>Total assets</b>                               | <b>¥3,650,332</b> | <b>¥3,171,618</b> | <b>\$33,541,597</b>        |



Visit our website for notes to Consolidated Financial Statements.

[https://www.sumitomo-chem.co.jp/english/ir/library/financial\\_results/files/docs/SCR20\\_FS\\_single\\_200617.pdf](https://www.sumitomo-chem.co.jp/english/ir/library/financial_results/files/docs/SCR20_FS_single_200617.pdf)

|   | Millions of yen   |                   | Thousands of<br>US dollars |
|---|-------------------|-------------------|----------------------------|
|   | March 31, 2020    | March 31, 2019    | March 31, 2020             |
| <b>Liabilities and equity</b>               |                   |                   |                            |
| <b>Liabilities</b>                          |                   |                   |                            |
| <b>Current liabilities:</b>                 |                   |                   |                            |
| Bonds and borrowings                        | ¥ 466,527         | ¥ 256,565         | \$ 4,286,750               |
| Trade and other payables                    | 436,070           | 482,858           | 4,006,891                  |
| Other financial liabilities                 | 48,769            | 50,735            | 448,121                    |
| Income taxes payable                        | 32,116            | 29,715            | 295,102                    |
| Provisions                                  | 89,862            | 101,340           | 825,710                    |
| Other current liabilities                   | 88,984            | 83,921            | 817,643                    |
| Total current liabilities                   | 1,162,328         | 1,005,134         | 10,680,217                 |
| <b>Non-current liabilities:</b>             |                   |                   |                            |
| Bonds and borrowings                        | 838,139           | 582,965           | 7,701,360                  |
| Other financial liabilities                 | 92,056            | 87,616            | 845,870                    |
| Retirement benefit liabilities              | 45,770            | 43,981            | 420,564                    |
| Provisions                                  | 21,491            | 22,698            | 197,473                    |
| Deferred tax liabilities                    | 79,528            | 51,171            | 730,754                    |
| Other non-current liabilities               | 22,183            | 26,167            | 203,832                    |
| Total non-current liabilities               | 1,099,167         | 814,598           | 10,099,853                 |
| <b>Total liabilities</b>                    | <b>2,261,495</b>  | <b>1,819,732</b>  | <b>20,780,070</b>          |
| <b>Equity</b>                               |                   |                   |                            |
| Share capital                               | 89,699            | 89,699            | 824,212                    |
| Capital surplus                             | 19,135            | 20,438            | 175,825                    |
| Retained earnings                           | 807,959           | 820,454           | 7,424,047                  |
| Treasury shares                             | (8,329)           | (8,322)           | (76,532)                   |
| Other components of equity                  | 13,878            | 76,433            | 127,519                    |
| Equity attributable to owners of the parent | 922,342           | 998,702           | 8,475,071                  |
| Non-controlling interests                   | 466,495           | 353,184           | 4,286,456                  |
| <b>Total equity</b>                         | <b>1,388,837</b>  | <b>1,351,886</b>  | <b>12,761,527</b>          |
| <b>Total liabilities and equity</b>         | <b>¥3,650,332</b> | <b>¥3,171,618</b> | <b>\$33,541,597</b>        |

## Consolidated Statement of Profit or Loss

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries  
Years ended March 31, 2020 and 2019

|  | Millions of yen |             | Thousands of<br>US dollars |
|--|-----------------|-------------|----------------------------|
|  | 2020            | 2019        | 2020                       |
| <b>Sales revenue</b>   | ¥2,225,804      | ¥2,318,572  | \$20,452,118               |
| <b>Cost of sales</b>   | (1,519,047)     | (1,576,299) | (13,957,980)               |
| <b>Gross profit</b>  | 706,757         | 742,273     | 6,494,138                  |
| Selling, general and administrative expenses                         | (575,135)       | (590,062)   | (5,284,710)                |
| Other operating income   | 11,590          | 11,154      | 106,496                    |
| Other operating expenses   | (14,928)        | (17,594)    | (137,168)                  |
| Share of profit of investments accounted for using the equity method | 9,233           | 37,201      | 84,839                     |
| Operating income   | 137,517         | 182,972     | 1,263,595                  |
| Finance income   | 13,178          | 16,615      | 121,088                    |
| Finance expenses   | (20,215)        | (11,217)    | (185,748)                  |
| Income before taxes  | 130,480         | 188,370     | 1,198,934                  |
| Income tax expenses  | (76,081)        | (35,904)    | (699,081)                  |
| <b>Net income</b>  | ¥ 54,399        | ¥ 152,466   | \$ 499,853                 |
| <b>Net income attributable to:</b>                                   |                 |             |                            |
| Owners of the parent   | 30,926          | 117,992     | 284,168                    |
| Non-controlling interests  | 23,473          | 34,474      | 215,685                    |
| Net income   | ¥ 54,399        | ¥ 152,466   | \$ 499,853                 |
|  |                 |             |                            |
| <b>Earnings per share:</b>   |                 |             |                            |
| Basic earnings per share   | ¥18.91          | ¥72.17      | \$0.174                    |
| Diluted earnings per share   | —               | 72.12       | —                          |

## Consolidated Statement of Comprehensive Income

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries  
Years ended March 31, 2020 and 2019

|   | Millions of yen |          | Thousands of<br>US dollars |
|---|-----------------|----------|----------------------------|
|   | 2020            | 2019     | 2020                       |
| <b>Net income</b>   | ¥ 54,399        | ¥152,466 | \$499,853                  |
| <b>Other comprehensive income:</b>  |                 |          |                            |
| Items that will not be reclassified to profit or loss   |                 |          |                            |
| Remeasurements of financial assets measured at<br>fair value through other comprehensive income | (13,397)        | (7,341)  | (123,100)                  |
| Remeasurements of defined benefit plans   | (8,323)         | 667      | (76,477)                   |
| Share of other comprehensive income of<br>investments accounted for using the equity method     | (4,812)         | 1,496    | (44,216)                   |
| Total items that will not be reclassified to profit or loss                                     | (26,532)        | (5,178)  | (243,793)                  |
| Items that may be subsequently reclassified to profit or loss                                   |                 |          |                            |
| Cash flow hedge   | 1,871           | 561      | 17,192                     |
| Exchange differences on translation of foreign operations                                       | (45,048)        | 4,782    | (413,930)                  |
| Share of other comprehensive income of<br>investments accounted for using the equity method     | (2,050)         | (4,485)  | (18,837)                   |
| Total items that may be subsequently reclassified to profit or loss                             | (45,227)        | 858      | (415,575)                  |
| Other comprehensive income, net of taxes  | (71,759)        | (4,320)  | (659,368)                  |
| Total comprehensive income  | (17,360)        | 148,146  | (159,515)                  |
| <b>Total comprehensive income attributable to:</b>  |                 |          |                            |
| Owners of the parent  | (39,080)        | 110,448  | (359,092)                  |
| Non-controlling interests   | 21,720          | 37,698   | 199,577                    |
| Total comprehensive income  | ¥(17,360)       | ¥148,146 | \$(159,515)                |

# Consolidated Statement of Changes in Equity

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries  
Years ended March 31, 2020 and 2019

|   | Millions of yen                             |                 |                   |                 |  |   |                  |   |           |   |                           |              |
|---|---|-----------------|-------------------|-----------------|--|---|------------------|---|-----------|---|---------------------------|--------------|
|   | Equity attributable to owners of the parent |                 |                   |                 |  | Other components of equity              |                  |   |           |   |                           |              |
|   | Share capital                               | Capital surplus | Retained earnings | Treasury shares | Remeasurements of financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plans | Cash flow hedges | Exchange differences on translation of foreign operations | Total     | Equity attributable to owners of the parent | Non-controlling interests | Total equity |
| <b>Balance as at April 1, 2018</b>                                    | ¥89,699                                     | ¥21,688         | ¥738,882          | ¥(8,296)        | ¥104,034   | ¥ —                                     | ¥(2,852)         | ¥(16,014)   | ¥85,168   | ¥927,141                                    | ¥325,073                  | ¥1,252,214   |
| Cumulative effects of changes in accounting policies                  | —   | —               | 60                | —               | —  | —                                       | —                | —   | —         | 60  | 169                       | 229          |
| Restated balance as at April 1, 2018                                  | 89,699                                      | 21,688          | 738,942           | (8,296)         | 104,034  | —                                       | (2,852)          | (16,014)  | 85,168    | 927,201                                     | 325,242                   | 1,252,443    |
| Net income  | —   | —               | 117,992           | —               | —  | —                                       | —                | —   | —         | 117,992                                     | 34,474                    | 152,466      |
| Other comprehensive income  | —   | —               | —                 | —               | (5,410)  | 1,343                                   | 1,001            | (4,478)   | (7,544)   | (7,544)                                     | 3,224                     | (4,320)      |
| Total comprehensive income  | —   | —               | 117,992           | —               | (5,410)  | 1,343                                   | 1,001            | (4,478)   | (7,544)   | 110,448                                     | 37,698                    | 148,146      |
| Purchase of treasury shares   | —   | —               | —                 | (27)            | —  | —                                       | —                | —   | —         | (27)  | —                         | (27)         |
| Disposal of treasury shares   | —   | 0               | —                 | 1               | —  | —                                       | —                | —   | —         | 1   | —                         | 1            |
| Dividends   | —   | —               | (37,606)          | —               | —  | —                                       | —                | —   | —         | (37,606)                                    | (13,524)                  | (51,130)     |
| Changes resulting from additions to consolidation                     | —   | —               | (175)             | —               | 110  | —                                       | —                | —   | 110       | (65)  | 645                       | 580          |
| Change in interest due to transactions with non-controlling interests | —   | (1,250)         | —                 | —               | —  | —                                       | —                | —   | —         | (1,250)                                     | 3,123                     | 1,873        |
| Transfer from other components of equity to retained earnings         | —   | —               | 1,301             | —               | 42   | (1,343)                                 | —                | —   | (1,301)   | —   | —                         | —            |
| Others, net   | —   | —               | —                 | —               | —  | —                                       | —                | —   | —         | —   | —                         | —            |
| Total transactions with owners  | —   | (1,250)         | (36,480)          | (26)            | 152  | (1,343)                                 | —                | —   | (1,191)   | (38,947)                                    | (9,756)                   | (48,703)     |
| <b>Balance as at March 31, 2019</b>                                   | ¥89,699                                     | ¥20,438         | ¥820,454          | ¥(8,322)        | ¥ 98,776   | ¥ —                                     | ¥(1,851)         | ¥(20,492)   | ¥76,433   | ¥998,702                                    | ¥353,184                  | ¥1,351,886   |
| <b>Balance as at April 1, 2019</b>                                    | ¥89,699                                     | ¥20,438         | ¥820,454          | ¥(8,322)        | ¥ 98,776   | ¥ —                                     | ¥(1,851)         | ¥(20,492)   | ¥76,433   | ¥998,702                                    | ¥353,184                  | ¥1,351,886   |
| Cumulative effects of changes in accounting policies                  | —   | —               | —                 | —               | —  | —                                       | —                | —   | —         | —   | —                         | —            |
| Restated balance as at April 1, 2019                                  | 89,699                                      | 20,438          | 820,454           | (8,322)         | 98,776   | —                                       | (1,851)          | (20,492)  | 76,433    | 998,702                                     | 353,184                   | 1,351,886    |
| Net income  | —   | —               | 30,926            | —               | —  | —                                       | —                | —   | —         | 30,926                                      | 23,473                    | 54,399       |
| Other comprehensive income  | —   | —               | —                 | —               | (20,740)   | (9,372)                                 | 2,035            | (41,929)  | (70,006)  | (70,006)                                    | (1,753)                   | (71,759)     |
| Total comprehensive income  | —   | —               | 30,926            | —               | (20,740)   | (9,372)                                 | 2,035            | (41,929)  | (70,006)  | (39,080)                                    | 21,720                    | (17,360)     |
| Purchase of treasury shares   | —   | —               | —                 | (7)             | —  | —                                       | —                | —   | —         | (7)   | —                         | (7)          |
| Disposal of treasury shares   | —   | 0               | —                 | 0               | —  | —                                       | —                | —   | —         | 0   | —                         | 0            |
| Dividends   | —   | —               | (35,970)          | —               | —  | —                                       | —                | —   | —         | (35,970)                                    | (16,722)                  | (52,692)     |
| Changes resulting from additions to consolidation                     | —   | —               | —                 | —               | —  | —                                       | —                | —   | —         | —   | 109,256                   | 109,256      |
| Change in interest due to transactions with non-controlling interests | —   | (1,303)         | —                 | —               | —  | —                                       | —                | —   | —         | (1,303)                                     | (943)                     | (2,246)      |
| Transfer from other components of equity to retained earnings         | —   | —               | (7,465)           | —               | (1,907)  | 9,372                                   | —                | —   | 7,465     | —   | —                         | —            |
| Others, net   | —   | —               | 14                | —               | (14)   | —                                       | —                | —   | (14)      | —   | —                         | —            |
| Total transactions with owners  | —   | (1,303)         | (43,421)          | (7)             | (1,921)  | 9,372                                   | —                | —   | 7,451     | (37,280)                                    | 91,591                    | 54,311       |
| <b>Balance as at March 31, 2020</b>                                   | ¥89,699                                     | ¥19,135         | ¥807,959          | ¥(8,329)        | ¥ 76,115   | ¥ —                                     | ¥ 184            | ¥(62,421)   | ¥13,878   | ¥922,342                                    | ¥466,495                  | ¥1,388,837   |
|   | Thousands of US dollars                     |                 |                   |                 |  |   |                  |   |           |   |                           |              |
| <b>Balance as at April 1, 2019</b>                                    | \$824,212                                   | \$187,797       | \$7,538,859       | \$(76,468)      | \$907,617  | \$ —                                    | \$(17,008)       | \$(188,294)   | \$702,315 | \$9,176,715                                 | \$3,245,282               | \$12,421,997 |
| Cumulative effects of changes in accounting policies                  | —   | —               | —                 | —               | —  | —                                       | —                | —   | —         | —   | —                         | —            |
| Restated balance as at April 1, 2019                                  | 824,212                                     | 187,797         | 7,538,859         | (76,468)        | 907,617  | —                                       | (17,008)         | (188,294)   | 702,315   | 9,176,715                                   | 3,245,282                 | 12,421,997   |
| Net income  | —   | —               | 284,168           | —               | —  | —                                       | —                | —   | —         | 284,168                                     | 215,685                   | 499,853      |
| Other comprehensive income  | —   | —               | —                 | —               | (190,572)  | (86,116)                                | 18,699           | (385,271)   | (643,260) | (643,260)                                   | (16,108)                  | (659,368)    |
| Total comprehensive income  | —   | —               | 284,168           | —               | (190,572)  | (86,116)                                | 18,699           | (385,271)   | (643,260) | (359,092)                                   | 199,577                   | (159,515)    |
| Purchase of treasury shares   | —   | —               | —                 | (64)            | —  | —                                       | —                | —   | —         | (64)  | —                         | (64)         |
| Disposal of treasury shares   | —   | 0               | —                 | 0               | —  | —                                       | —                | —   | —         | 0   | —                         | 0            |
| Dividends   | —   | —               | (330,516)         | —               | —  | —                                       | —                | —   | —         | (330,516)                                   | (153,652)                 | (484,168)    |
| Changes resulting from additions to consolidation                     | —   | —               | —                 | —               | —  | —                                       | —                | —   | —         | —   | 1,003,914                 | 1,003,914    |
| Change in interest due to transactions with non-controlling interests | —   | (11,972)        | —                 | —               | —  | —                                       | —                | —   | —         | (11,972)                                    | (8,665)                   | (20,637)     |
| Transfer from other components of equity to retained earnings         | —   | —               | (68,593)          | —               | (17,523)   | 86,116                                  | —                | —   | 68,593    | —   | —                         | —            |
| Others, net   | —   | —               | 129               | —               | (129)  | —                                       | —                | —   | (129)     | —   | —                         | —            |
| Total transactions with owners  | —   | (11,972)        | (398,980)         | (64)            | (17,652)   | 86,116                                  | —                | —   | 68,464    | (342,552)                                   | 841,597                   | 499,045      |
| <b>Balance as at March 31, 2020</b>                                   | \$824,212                                   | \$175,825       | \$7,424,047       | \$(76,532)      | \$699,393  | \$ —                                    | \$ 1,691         | \$(573,565)   | \$127,519 | \$8,475,071                                 | \$4,286,456               | \$12,761,527 |

## Consolidated Statement of Cash Flows

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries  
Years ended March 31, 2020 and 2019

|  | Millions of yen |           | Thousands of<br>US dollars |
|--|-----------------|-----------|----------------------------|
|  | 2020            | 2019      | 2020                       |
| <b>Cash flows from operating activities:</b>                                       |                 |           |                            |
| Income before taxes  | ¥130,480        | ¥188,370  | \$1,198,934                |
| Depreciation and amortization  | 131,741         | 112,495   | 1,210,521                  |
| Impairment loss  | 37,328          | 24,639    | 342,994                    |
| Reversal of impairment loss  | (61)            | (2,969)   | (561)                      |
| Share of profit of investments accounted for using the equity method               | (9,233)         | (37,201)  | (84,839)                   |
| Interest and dividend income   | (10,904)        | (10,849)  | (100,193)                  |
| Interest expenses  | 12,513          | 10,623    | 114,977                    |
| Business structure improvement expenses  | 7,806           | 9,067     | 71,727                     |
| Changes in fair value of contingent consideration                                  | (48,475)        | (8,950)   | (445,419)                  |
| Gain on sale of property, plant and equipment                                      | (931)           | (1,434)   | (8,555)                    |
| Increase in trade receivables  | (10,938)        | (26,600)  | (100,505)                  |
| Increase in inventories  | (11,713)        | (35,613)  | (107,627)                  |
| Decrease in trade payables   | (22,048)        | (18,673)  | (202,591)                  |
| Increase (decrease) in provisions  | (8,060)         | 4,124     | (74,060)                   |
| Others, net  | (52,303)        | 38,041    | (480,594)                  |
| Subtotal   | 145,202         | 245,070   | 1,334,209                  |
| Interest and dividends received  | 27,033          | 32,999    | 248,397                    |
| Interest paid  | (12,733)        | (10,940)  | (116,999)                  |
| Income taxes paid  | (48,688)        | (50,161)  | (447,377)                  |
| Business structure improvement expenses paid                                       | (4,802)         | (8,825)   | (44,124)                   |
| Net cash provided by operating activities  | 106,012         | 208,143   | 974,106                    |
| <b>Cash flows from investing activities:</b>                                       |                 |           |                            |
| Payments of deposit  | (61,028)        | —         | (560,764)                  |
| Purchase of property, plant and equipment, and intangible assets                   | (120,449)       | (174,816) | (1,106,763)                |
| Proceeds from sale of property, plant and equipment, and intangible assets         | 1,974           | 4,010     | 18,138                     |
| Purchase of investments in subsidiaries  | (204,592)       | (3,348)   | (1,879,923)                |
| Purchase of other financial assets   | (122,493)       | (9,126)   | (1,125,544)                |
| Proceeds from sales and redemption of other financial assets                       | 6,763           | 2,420     | 62,143                     |
| Others, net  | 155             | 23        | 1,424                      |
| Net cash used in investing activities  | (499,670)       | (180,837) | (4,591,289)                |
| <b>Cash flows from financing activities:</b>                                       |                 |           |                            |
| Net (decrease) increase in short-term borrowings                                   | 237,592         | 3,180     | 2,183,148                  |
| Net increase (decrease) of commercial paper  | (28,000)        | (4,000)   | (257,282)                  |
| Proceeds from long-term borrowings   | 67,689          | 89,190    | 621,970                    |
| Repayments of long-term borrowings   | (85,657)        | (67,871)  | (787,072)                  |
| Proceeds from issuance of bonds  | 282,575         | 49,725    | 2,596,481                  |
| Redemption of bonds  | (30,500)        | (77,000)  | (280,254)                  |
| Repayments of lease liabilities  | (14,778)        | (3,175)   | (135,790)                  |
| Cash dividends paid  | (35,970)        | (37,606)  | (330,515)                  |
| Cash dividends paid to non-controlling interests                                   | (16,717)        | (13,521)  | (153,607)                  |
| Payments for acquisition of subsidiaries' interests from non-controlling interests | (2,622)         | (2,205)   | (24,093)                   |
| Others, net  | (70)            | 2,417     | (643)                      |
| Net cash provided by (used in) financing activities                                | 373,542         | (60,866)  | 3,432,344                  |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                | (914)           | 3,309     | (8,398)                    |
| <b>Net increase (decrease) in cash and cash equivalents</b>                        | (21,030)        | (30,251)  | (193,237)                  |
| <b>Cash and cash equivalents at beginning of year</b>                              | 201,678         | 231,929   | 1,853,147                  |
| <b>Cash and cash equivalents at end of year</b>                                    | ¥180,648        | ¥201,678  | \$1,659,910                |

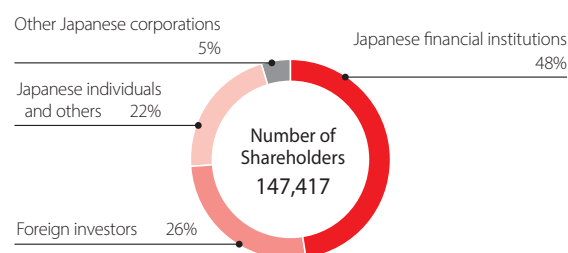


# Corporate and Investor Information

(As of March 31, 2020)

|  |  |
|--|--|
| Paid-in Capital                          | ¥89.7 billion  |
| Number of Employees                      | Non-consolidated: 6,214<br>Consolidated: 33,586  |
| Common Stock                             | Authorized: 5,000,000,000 shares<br>Issued: 1,655,446,177 shares   |
| Settlement Date                          | March 31   |
| Stock Transaction Units                  | 100-share units  |
| Ordinary General Meeting of Shareholders | Within three months from the next day of the settlement date   |
| Number of Shareholders                   | 147,417  |
| Listings                                 | Tokyo  |
| Transfer Agent and Registrar             | Sumitomo Mitsui Trust Bank, Limited<br>Stock Transfer Agency Division<br>4-1, Marunouchi 1-chome,<br>Chiyoda-ku, Tokyo 100-8233, Japan |
| Independent Certified Public Accountants | KPMG AZSA LLC  |

## Distribution of Shareholders



## Major Shareholders

| Major Shareholders  | Number of Shares Held (1,000 shares) | Shareholding Ratio (%)* |
|---|--------------------------------------|-------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account)  | 127,165                              | 7.77                    |
| Japan Trustee Services Bank, Ltd. (Trust Account)   | 96,698                               | 5.91                    |
| Sumitomo Life Insurance Company   | 71,000                               | 4.34                    |
| Nippon Life Insurance Company   | 41,031                               | 2.50                    |
| Japan Trustee Services Bank, Ltd. (Trust Account No.7)  | 37,145                               | 2.27                    |
| Japan Trustee Services Bank, Ltd. (Trust Account No.4)  | 31,756                               | 1.94                    |
| Japan Trustee Services Bank, Ltd. (Trust Account No.5)  | 29,355                               | 1.79                    |
| JP MORGAN CHASE BANK 385151   | 29,106                               | 1.78                    |
| Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Trust Bank, Ltd. Retrusted Account / Sumitomo Life Insurance Company Employee Pension Trust Account) | 29,000                               | 1.77                    |
| SSBTC CLIENT OMNIBUS ACCOUNT  | 26,476                               | 1.61                    |

\* Percentage of shares held to the total number of shares issued and outstanding shares (excluding treasury shares)

## Dividend Policy

We consider shareholder return as one of our priority management issues and have made it a policy to maintain stable dividend payment, giving due consideration to our business performance and a dividend payout ratio for each fiscal period, the level of retained earnings necessary for future growth, and other relevant factors. We aim to maintain a dividend payout ratio of around 30% over the medium to long term.

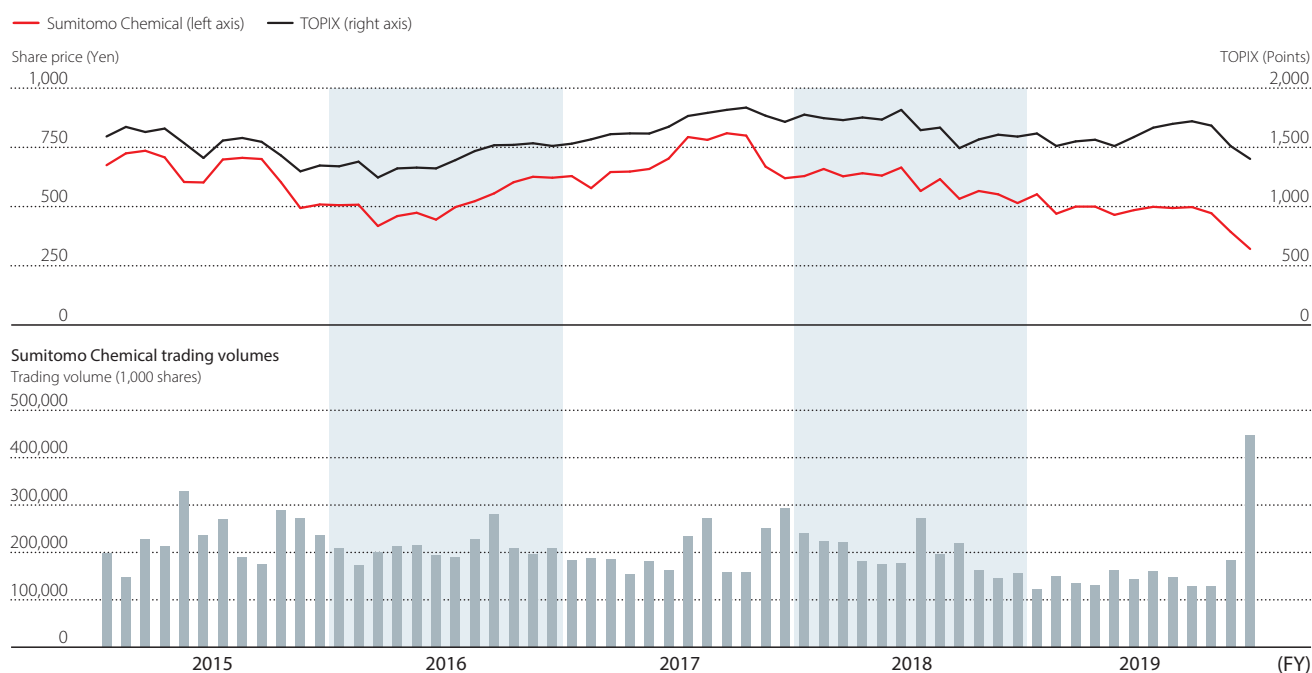
The full-year dividend for fiscal 2019 was ¥17 per share, a decrease of ¥5 per share from the previous fiscal year.

## IR Calendar\*

| Fiscal 2019 (Year ended March 31, 2020)  |  |
|--|--|
| May 2020                                 | Fiscal 2019 Financial Results                  |
| June 2020                                | 139th Ordinary General Meeting of Shareholders |
| Fiscal 2020 (Year ending March 31, 2021) |  |
| August 2020                              | 1st Quarter Financial Results                  |
| October 2020                             | 2nd Quarter Financial Results                  |
| January 2021                             | 3rd Quarter Financial Results                  |
| May 2021                                 | Fiscal 2020 Financial Results                  |
| June 2021                                | 140th Ordinary General Meeting of Shareholders |

\* This schedule is subject to change.

## Stock Performance



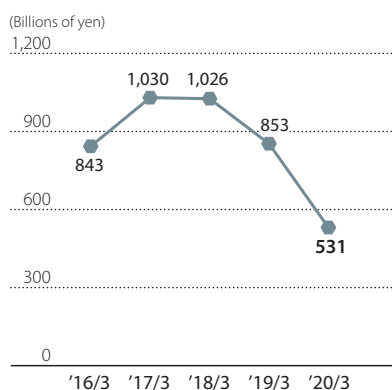
| Fiscal Year                              | J-GAAP*1  |           | IFRS*1    |           |           |
|--|-----------|-----------|-----------|-----------|-----------|
|  | 2015      | 2016      | 2017      | 2018      | 2019      |
| Share price high (yen)                   | 798       | 682       | 882       | 684       | 556       |
| Share price low (yen)                    | 441       | 396       | 574       | 485       | 267       |
| Share price at year-end (yen)            | 509       | 622       | 620       | 515       | 321       |
| Cumulative trading volume (1,000 shares) | 2,785,335 | 2,515,006 | 2,418,727 | 2,369,928 | 2,038,948 |

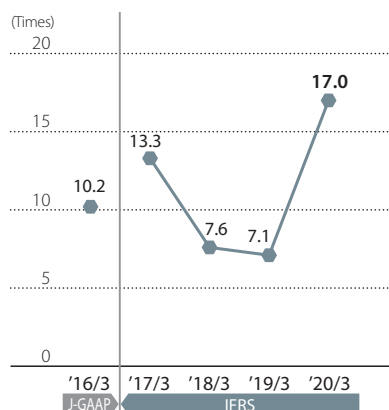
| Fiscal Year  | 2015      | 2016      | 2017      | 2018      | 2019      |
|--|-----------|-----------|-----------|-----------|-----------|
| Shares outstanding (1,000 shares)                                    | 1,655,446 | 1,655,446 | 1,655,446 | 1,655,446 | 1,655,446 |
| Market capitalization (billions of yen)                              | 843       | 1,030     | 1,026     | 853       | 531       |
| Basic Earnings per Share (yen)*2                                     | 49.84     | 46.81     | 81.81     | 72.17     | 18.91     |
| Equity attributable to owners of the parent per share (yen)*3        | 469.25    | 496.96    | 567.04    | 610.82    | 564.12    |
| Price earnings ratio (PER) (times)                                   | 10.2      | 13.3      | 7.6       | 7.1       | 17.0      |
| Price book-value ratio (PBR) (times)                                 | 1.1       | 1.3       | 1.1       | 0.8       | 0.6       |
| Cash dividends per share (yen)                                       | 14        | 14        | 22        | 22        | 17        |
| Dividend payout ratio (%)  | 28.1      | 29.9      | 26.9      | 30.5      | 89.9      |
| Total Shareholder Return (TSR) (%)                                   | 84.6      | 105.2     | 108.4     | 95.0      | 66.3      |
| Ratio of shares owned by foreign investors to shares outstanding (%) | 35.5      | 33.0      | 30.3      | 27.6      | 26.4      |

\*1 J-GAAP: Japanese GAAP, IFRS: International Financial Reporting Standards \*2 J-GAAP/Net income per share (yen) \*3 J-GAAP/Net assets per share (yen)

### Market Capitalization



### Price Earnings Ratio



### Price Book-value Ratio

